HON'BLE SHRI G.S.SINGHVI, THE CHIEF JUSTICE

W.P.No.14969 of 1996

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Between:

M/s. Kalyani Chit Fund Company,

Hanumakonda, Warangal District,

Represented by its Managing Partner,

Sri N.Rajaiah, S/o.Kistaiah

and others.

..... Petitioners

AND

The State of Andhra Pradesh, represented by its

Principal Secretary to Government,

Revenue Department, Secretariat, Hyderabad

and others.

.....Respondents

::ORDER::

Counsel for the Petitioner : Sri T. Suryakaran Reddy

Counsel for Respondent Nos.1 to 4: G.P. for Revenue

Dated 19/04/2006

In this petition, the petitioners have made the following substantive prayers.

a. To issue an order or direction, more in the nature of Writ of Mandamus, forbearing the respondents from insisting the Foreman of the petitioners – Chit Fund companies to make security deposits under Section 12 of the Andhra Pradesh Chit Fund Act by way of N.S.S. Certificates only as contemplated in Circular Memo. No.CF/36062/95, dated 16.12.1995 issued by the 2nd respondent and further directing the respondents to accept the Security Deposit to be made by the Foreman of the petitioners-Chit Fund companies by any of the method including

the F.D.Rs in Banks, as contemplated under Section 12 of the Andhra Pradesh Chit Fund Act, 1971, if necessary by holding that the above stated orders issued by the respondents 2 and 3 are illegal, arbitrary, and unconstitutional; and

b. To direct the respondents 2 to 4 herein, to accept the Security Deposits to be made by the Foreman of the petitioners-Chit Fund Companies by any of the methods including the F.D.Rs. in Banks, as contemplated under Section 12 of the Andhra Pradesh Chit Fund Act, 1971 without referring to the Circular Memo.No.CF/36062/95, dated 16.12.1995 issued by the 2nd respondent and the orders in Endt.No.G2/3057/95, dated 28.12.1995 issued by the 3rd respondent, pending the disposal of the above writ petition;"

While issuing notice of the writ petition, this Court passed an interim order on 30.7.1991 under which the respondents were ordained to accept security deposit in terms of Section 12 of the Andhra Pradesh Chit Fund Act, 1971. In my opinion, the interim order passed by the Court had the effect of virtually allowing the writ petition. Therefore, no further order is required to be passed in the main writ petition, which is disposed of as infructuous. However, liberty is given to the petitioners to avail appropriate legal remedy before this Court or elsewhere, if any punitive action is taken against them for the avowed violation of the provisions of Section 12 of the Andhra Pradesh Chit Fund Act, 1971.

G.S.SINGHVI, CJ

Dt.19/4/2006

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